

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

NETWORK-1 SECURITY SOLUTIONS,
INC., a Delaware corporation,

Plaintiff,

vs.

CISCO SYSTEMS, INC., a California
corporation; CISCO-LINKSYS, L.L.C., a
California Limited Liability Company;
ADTRAN, INC., a Delaware corporation;
ENTERASYS NETWORKS, INC., a
Delaware corporation; EXTREME
NETWORKS, INC., a Delaware corporation;
FOUNDRY NETWORKS, INC., a Delaware
corporation; NETGEAR, INC., a Delaware
corporation; 3COM CORPORATION, a
Delaware corporation;

Defendants.

CASE NO. 6:08cv030-LED

Jury Demanded

Notice of Supplemental Authority re
Plaintiff Network-1's Motion to Exclude Opinions and Testimony of Ms. Julie L. Davis

Plaintiff Network-1 files this notice of supplemental authority in reference to Plaintiff Network-1's Motion to Exclude Opinions and Testimony of Ms. Julie L. Davis. In particular, Network-1 informs the Court of the Federal Circuit's decision issued yesterday, *Wordtech Systems v. Integrated Networks Solutions et al.* (09-1454) (Fed. Cir. June 16, 2010) (attached as Exhibit 1), where the Federal Circuit held in accord with the general premise of Network-1's *Daubert* motion – that lump sum license agreements cannot be used as a metric of comparison for determining the reasonable royalty for another license, absent data regarding relative extent of use:

[T]he two lump-sum licenses provide no basis for comparison with INSC's infringing sales. Neither license describes how the parties calculated each lump sum, the licensees' intended products, or how many products each licensee expected to produce . . . If Wordtech's previous licensee paid \$350,000 to produce one thousand devices, for example, INSC would not have agreed ex ante to pay \$250,000 if it expected to make only fifty-six units. Thus, without additional data, the licenses offered the jury "little more than a recitation of royalty numbers." *Lucent*, 580 F.3d at 1329.

Wordtech at 21-22.

Dated: June 17, 2010

Respectfully submitted,

By: /s/ Sean A. Luner

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing document was served, via email, on counsel for Defendants this 17th day of June, 2010.

/s/ Sean A. Luner
Sean A. Luner